

**SUBSTITUTE RESOLUTION BY THE
COMMUNITY/DEVELOPMENT/HUMAN RESOURCES COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LOAN FUNDING AGREEMENT WITH HERITAGE GREENE APARTMENTS, L.P. IN AN TOTAL AMOUNT NOT TO EXCEED \$375,000 FOR THE REHABILITATION OF THE HERITAGE GREEN APARTMENTS, CONSISTING OF 109 UNITS LOCATED AT 2891 SPRINGDALE ROAD, SW; AND FURTHER, THE COMMISSIONER OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT OR HIS DESIGNEE IS AUTHORIZED TO SIGN THE NECESSARY DOCUMENTS TO CLOSE THE LOAN WITH NATIONAL CHURCH RESIDENCES, AND FOR OTHER PURPOSES

WHEREAS, the Multi-Unit Housing Loan Program is an on-going program approved each year in the City of Atlanta Annual Action Plan, designed to increase the supply of safe, sanitary and decent housing affordable for rent by low and moderate income families through the provision of low interest loans to for-profit and not-for-profit organizations; and

WHEREAS, Heritage Green Apartments, L.P has requested funds from the Multi-Unit Housing Loan Program in the amount of \$375,000 to rehabilitate 109 rental units on property located at 2891 Springdale Road, SW, (Council District 12), all of which will be affordable to persons meeting HOME income eligibility; and

WHEREAS, Resolution 02-R-0527 adopted April 1, 2002 and signed by the Mayor on April 5, 2002 endorsed the application of Heritage Green Apartments, L.P for Low Income Housing Tax Credits and committed \$375,000 to the project if tax credits were awarded and the project has been approved for said tax credits; and

WHEREAS, the unit mix of this project will be 11 units (10 %) at 30% AMI; 45 units (41%) at 50% AMI; 31 units (28%) at 60% of AMI and 22 units (20%) market rate with rents to be determined based on HUD guidelines at closing; and

WHEREAS, the staff of the Department of Planning and Community Development has reviewed the request and found it in compliance with the program and underwriting guidelines of the Multi-Unit Housing Loan Program subject to environmental clearance and other terms and conditions identified herein; and

WHEREAS, Heritage Green Apartments, L.P is ready to begin implementation of the project and staff recommends commitment of funds from the Multi-Unit Loan Program to the project.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA as follows:

Section 1. The Mayor is authorized to enter into a Loan Agreement with Heritage Green Apartments, L.P in an amount not to exceed \$375,000 for the rehabilitation of 109 units of housing located at 2891 Springdale Road, SW of which 80% of the units are required to be affordable to persons meeting CDBG income eligibility. The loan is to be charged to and paid from Account Number 1B01 529002 Y46P0912A23A.

Section 2. The terms of the loan shall be as follows:

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| a) Interest Rate: | Five Percent (5%) |
| b) Loan Servicing Fee: | Included in interest rate |
| c) Payments: | Interest only with Balloon Payment of Principal |
| d) Term of the Loan: | 15 Years, with 30-year amortization |
| e) Security Interest: | Security deed on land and property improvements |
| f) Period of Affordability: | 15 years |
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Section 3. The approval of this loan is subject to the following conditions:

- a) Receive environmental clearance from the Office of Grants Management prior to August 4, 2003.
- b) Receive approval from the City of Atlanta Department of Planning and Community Development of Joint Venture Development Partner and Property Development Agreement.
- c) Receive approval from the City of Department of Planning and Community Development of Architect and General Contractor contracts as applicable.
- d) Comply with the conditions, required documents and due diligence checklist contained in the Loan Agreement.

Section 4. The Commissioner of the Department of Planning and Community Development or his designee is authorized to sign the administrative documents necessary to close this loan.

Section 5. The loan agreement shall not become binding on the City and the City shall incur no liability until such time as the Council and the Mayor have approved this resolution and when all documents have been signed by the Mayor and Commissioner or his designee for the Department of Planning, Development and Neighborhood Conservation and delivered to the contracting parties.